

## THE WATER SYSTEM

The City's Water Services Department is responsible for the operation and maintenance of the City's revenue-producing waterworks system ("System"), which includes facilities for obtaining, purifying and delivering potable water for domestic, commercial and industrial use and for fire protection within the City and surrounding areas. It is also responsible for obtaining all necessary federal and state permits and compliance with applicable federal and state safe drinking water laws and regulations.

### Primary System

The primary System includes a 240 million gallon per day treatment plant, four major pump stations, 14 repump stations, numerous water storage facilities, and approximately 2,700 miles of water mains. Treated water service is provided to approximately 168,000 retail customers inside and outside the City and 33 active wholesale customers. There are also connections with the transmission systems of six (6) other regional water suppliers that can be activated in case of an emergency.

The City obtains its raw water for the primary System from a combination of surface and ground water sources. Surface water comes from the Missouri River and accounts for approximately 80% of the raw water. Ground water comes from a well field in the Missouri River aquifer and accounts for the remaining 20% of raw water. Water treatment is a four-step process that consists of sedimentation, softening, stabilization and filtration. The treated water produced by the Water Services Department meets current federal and state requirements for drinking water.

Water is pumped into the transmission system from storage reservoirs located at the water treatment plant, which is located on the north side of the Missouri River. The water transmission system is comprised of two essentially separate systems, one serving customers located north of the Missouri River and the other serving customers located south of the Missouri River. Water is delivered to the southern system through two (2) tunnels under the Missouri River. The distribution systems include booster pumping stations and elevated, underground, and ground level water storage reservoirs. The existing treated water storage capacity is 141 million gallons. The average daily flow during Fiscal Year 2013 was about 115 million gallons per day with a peak day demand of 197 million gallons, which is about 82% of the primary treatment plant's design capacity.

### Atherton System

The Atherton System currently provides wholesale service to one public water supply district, Jackson County PWS #16. The Atherton System consists of three wells located about a mile from the Missouri River and a small treatment plant with a rated capacity of approximately 0.6 million gallons per day. The treatment plant consists of an aerator, a solids upflow contact unit, filters, pumps, chemical feeders, and a clearwell. The distribution system includes a transmission main to the water district.

### Additional Information

The following table shows revenues generated by retail (including residential, commercial and industrial) and wholesale customers of the System for the past five years.

#### Water Revenues by Retail and Wholesale Customers (in 1,000s)

	Fiscal Year Ended April 30				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Retail Customers	\$ 67,165	\$ 68,197	\$ 91,072	\$ 97,503	\$ 118,403
Wholesale Customers	<u>12,205</u>	<u>11,206</u>	<u>13,737</u>	<u>16,292</u>	<u>20,641</u>
Total	<u>\$ 79,369</u>	<u>\$ 79,403</u>	<u>\$ 104,809</u>	<u>\$ 113,795</u>	<u>\$ 139,044</u>

The following table shows the number of System customers for the past five years.

<b>Number of System Customers</b>					
Fiscal Year Ended April 30					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Retail Customers	141,401	143,226	144,000	147,448	150,790
Commercial/Industrial	15,239	15,600	15,000	16,160	16,818
Wholesale Customers	<u>33</u>	<u>34</u>	<u>34</u>	<u>33*</u>	<u>33*</u>
Total	<u>156,673</u>	<u>158,860</u>	<u>159,034</u>	<u>163,641</u>	<u>167,641</u>

\* Jackson County PWSD #15 stopped taking water from Kansas City on February 1, 2012. Jackson County PWSD #15 was serviced by the Atherton System, with an average monthly usage of 3,698 ccf. The approximately \$7,000 per month reduction in revenues represents less than 0.05% of monthly revenues.

### **Management Initiatives**

The Water Services Department continues its efforts to improve operating efficiencies, customer service, and service reliability. In 2007, the Water Services Department began installation work associated with a new Automated Meter Reading (“AMR”) system. Installation of the AMR system is complete. Improved accuracy, operating efficiencies, and enhanced revenue recovery is expected to continue from this undertaking. At present, approximately 95% of the estimated 168,500 meters in the System have already been affixed with AMR and a plan is currently being implemented to address the remaining non-AMR meters over the next two years.

The Water Services Department has completed the AWWA QualServe Process and is working on implementing recommendations from that program. QualServe is a peer review-based voluntary program that assists water utilities in enhancing performance and customer satisfaction. AWWA water utility professionals developed the program specifically for water utilities to be applicable to their day-to-day work activities. Through self-assessment, peer review, benchmarking and other assessment tools, business processes are examined, including planning and financing, operations, maintenance and customer relations areas. Some of the recommendations are reorganization and the establishment of benchmarks and performance measures for the Department. In order to address recommendations from the QualServe process the Department has initiated the customer service improvement program.

The customer service improvement program is a multi-faceted project consisting of 21 separate initiatives that will be implemented over a 24-month period. The goal of the project is to improve the customer service experience through implementing required technology upgrades and enhancements, aligning customer-facing business processes, and updating training methods. Significant portions of the work include an upgrade to the customer information system and integration of various software packages to the system as well as in-depth organizational reviews of customer-facing functions including billing, call center, and meter and field services. The Water Services Department has engaged West Monroe Partners to assist with this work.

The Water Services Department has initiated the first water master plan since 1997, established a five-year Capital Improvement Plan and will also complete a long term Strategic Business Plan in Fiscal Year 2014.

### **Security of the System**

As a result of the terrorist attacks of September 11, 2001, the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (commonly known as the “Bioterrorism Act”), was signed into law on June 12, 2002. This law requires all community water systems serving more than 3,300 people to (1) conduct a vulnerability assessment; (2) certify to the United States

Environmental Protection Agency (“USEPA”) that the vulnerability assessment was completed by a date specified in the law; (3) submit a paper copy of the assessment to the USEPA; (4) prepare or revise the emergency response plan based on the results of the vulnerability assessment; and (5) certify to the USEPA the emergency response plan has been developed or revised by a certain date. The Water Services Department has focused significant attention on securing the System. Under the requirements of the Bioterrorism Act, the City has conducted appropriate security activities and provided all required certifications to appropriate federal authorities by the prescribed deadlines concerning assessments and response planning. The City also carries property insurance for Water Services Department property that includes the terrorism coverage referred to in the Terrorism Risk Insurance Act of 2002.

### **Capital Improvement Program**

Starting in 2007, the Water Services Department developed a five-year Capital Improvement Program (“CIP”) through Fiscal Year 2012. The CIP has since been updated annually, with the current five-year period extending through Fiscal Year 2017. The CIP is intended to provide facilities to meet existing and anticipated federal and state drinking water quality standards and to maintain a reliable water transmission system that can respond to changing patterns of water use throughout the System’s service area. The CIP currently identifies an estimated \$258 million of specific major capital improvements, which are expected to be financed primarily through a combination of annual revenues, contributions from local sources, available fund balances and bond proceeds.

A question to increase the water revenue bond authorization by \$250 million was presented to the voters on August 2, 2005. The voters approved the additional bond authorization by nearly a three to one margin. Of the \$250 million authorization, the City has issued water revenue bonds totaling \$195,635,000, leaving \$54,365,000 of authorized but unissued bonds. The Water Services Department projects that the remaining authorization will be issued during Fiscal Year 2014.

In November 2011, the Water Services Department entered into a contract to update the City’s system wide water master plan. The Water Services Department last conducted a System planning study in 1996-1997. The purpose of this comprehensive water system master plan update project is to analyze the performance, condition, hydraulic capacities, and improvements needed within the existing System to meet current and projected future water demands. The plan includes a review of current drinking water distribution system operations in an effort to identify potential pumping and storage operational changes to reduce energy consumption costs and improve drinking water quality within the distribution system. The capital improvements plan will be developed to address water supply, treatment, and distribution system needs and to incorporate reinvestment needs, drinking water quality related needs, and growth needs to develop a coordinated plan. This study is ongoing and intended to develop a capital improvements program that will include budget costs, staging and prioritization, and identification of reinvestment needs through Fiscal Year 2035.

### **Regulatory Requirements**

In General. The City’s drinking water supply operations must comply with the federal Safe Drinking Water Act, 42 USC Sec. 300f *et seq.*, and its amendments, including the Bioterrorism Act. The City is also subject to the federal regulations (40 CFR Part 141 *et seq.*) promulgated under the Safe Drinking Water Act and its amendments. These statutory and regulatory requirements are administered by the USEPA through the Missouri Department of Natural Resources (“MDNR”). Regulations of these agencies pertain to the treatment and distribution of the City’s drinking water.

In addition to federal requirements, the City must comply with requirements of the State of Missouri. The primary State laws related to water supply operations are found in the Missouri Safe Drinking Water Act (Sections 640.100-640.140, RSMo.). The State’s Public Drinking Water Program is contained in state regulations at 10 CSR 60.

As a public water system, the City's water treatment facility operates under a permit from MDNR and must comply with rigorous drinking water standards. The City is in full compliance with its permit requirements.

The City has never been sanctioned for a violation of federal or state drinking water laws or regulations. The City is in compliance with the Bioterrorism Act.

## **Legal**

A small group of landlords filed suit against Kansas City claiming in part that the service charge billed by the Water Services Department for water and sewer service at twelve of their properties is a tax prohibited by Missouri's Hancock Amendment, rather than a fee. The City disputed this claim. Missouri's Hancock Amendment provides that governmental entities cannot levy a new tax or raise an existing tax without a vote of the people. Since the water and sewer rates are set by the City Council rather than a vote of the people, if the service charge is found to be tax, any increase in the amount of it would be impermissible. If the service charge is found to be a fee, as maintained by the City, then the challenge to the increased service charge would fail. The court took up the landlords' Motion for Preliminary Injunction and denied the same, holding that the service charge appeared to be a fee and not a tax. The litigation is pending, waiting on final resolution of all issues.

## **Largest Users of the System**

The following table sets forth the ten largest users of the System and the percentage of total consumption applicable to each for the Fiscal Year ended April 30, 2013:

<u>User</u>	<u>Type of Business</u>	<u>Annual Consumption (100 cubic feet)</u>	<u>Percentage of Total Consumption</u>
City of Lee's Summit	Wholesale Water	1,992,454	5.03%
Jackson County PWSD No. 1	Wholesale Water	1,107,227	2.79%
City of Belton	Wholesale Water	1,028,837	2.60%
City of Blue Springs	Wholesale Water	902,400	2.28%
City of Raymore	Wholesale Water	801,522	2.02%
Raytown Water Company	Wholesale Water	693,977	1.75%
Dogwood Energy	Utility	608,731	1.54%
Veolia –Kansas City	Utility	514,161	1.30%
KCPL	Utility	464,498	1.17%
Jackson County PWSD No. 2	Wholesale Water	354,444	0.89%

## **Billing Procedures and Collections**

Water rates are reviewed annually by the City to determine if rate adjustments are required. Water rates are developed based on total costs of service and customer service requirements. The rate schedule for customers outside the City is designed to reimburse the City for operation and maintenance expense, depreciation expense, and to provide a reasonable rate of return on the plant investment serving these customers. Water rates were most recently increased on May 1, 2013 for Fiscal Year 2014.

Charges for water services are combined on a single bill with applicable wastewater and stormwater charges. A late payment service charge of 5% of the unpaid delinquent balance is applied to all metered water service, sanitary sewer service and stormwater fee bills remaining unpaid after the delinquent date. Water and wastewater services are subject to termination without further notice if a bill remains unpaid 20 days after the delinquent date. For one- and two-family dwellings, unpaid charges may become a lien on the property if the account is three or more months delinquent or the total amount of the delinquency is \$500 or more. For all other property classifications, unpaid charges may become a lien on the property if the account is three or more months delinquent or the total amount of the

delinquency is \$1,000 or more. Water and wastewater service can be restored upon receipt of the full amount of the outstanding balance due, including a service restoration charge.

## Rate Structure

In March 2013, the City approved the following water rates, representing a 10% water revenue rate increase, which became effective as of May 1, 2013.

Meter Size (Inches)	<u>Service Charge</u>		<u>Seasonal Off-Peak Commodity Charge</u>		<u>Fire Protection Charge</u>	
	<u>Inside City</u>	<u>Outside City</u>	<u>\$2.48 per 100 cubic feet</u>		<u>Connection</u>	<u>Rate per</u>
	<u>Billed</u>	<u>Billed</u>			<u>Size (Inches)</u>	<u>Annum</u>
	<u>Monthly</u>	<u>Monthly</u>				
5/8	\$11.90	\$13.25			4 or less	\$100.00
3/4	\$12.80	\$14.30			6	\$293.00
1	\$15.65	\$17.45			8	\$625.00
1-1/2	\$19.50	\$21.70			10	\$1,123.00
2	\$30.00	\$33.30			12	\$1,815.00
3	\$102.50	\$105.00			16	\$3,868.00
4	\$129.00	\$133.50				
6	\$192.00	\$198.00				
8	\$278.00	\$285.00				
10	\$365.00	\$381.00				
12	\$430.00	\$448.00				

  

<u>Inside City</u>		<u>Commodity Charge</u>		<u>Wholesale</u>	<u>Charge / 100 Cubic Feet</u>
<u>Cubic</u>	<u>Charge / 100</u>	<u>Cubic</u>	<u>Charge / 100</u>		
<u>Feet</u>	<u>Cubic Feet</u>	<u>Feet</u>	<u>Cubic Feet</u>		
First 600	\$4.02	First 600	3.74	Unrestricted	\$2.00
Next 4,400	\$4.50	Next 4,400	\$4.15	Restricted	\$1.94
Next 995,000	\$3.65	Over 5,000	\$3.25	1 <sup>st</sup> Repump	\$0.18
Over 1,000,000	\$2.50			2 <sup>nd</sup> Repump	\$0.25

The City is not required to raise rates annually. The City makes no representation as to whether either a rate increase will be approved in any future Fiscal Years, or, if a rate increase is approved in any Fiscal Year, as to the nature and extent of any such rate increase. Nevertheless, the City will maintain its debt service coverage requirements under existing bond ordinances.

## WATER SYSTEM FINANCIAL INFORMATION AND COVERAGE STATEMENT

### Operating Revenues and Expenses

83% of water sales revenues are derived from charges to retail customers. The remaining water revenues are from sales of water provided on a wholesale basis under inter-jurisdictional agreements with 33 surrounding cities and water districts. The total number of customers in Fiscal Year 2013 was approximately 168,000.

Operation and maintenance expenses include the cost of labor, materials, supplies and contractual services and represent the normal cost of System operation. Operation and maintenance expenses are assumed to increase slightly during Fiscal Years 2015 and 2016. The projected increases in operation and maintenance expenses take into consideration growth in the System and price inflation as well as the offsetting effects of staff reductions and improvements in cost efficiencies.

## **Accounting, Budgeting and Auditing Procedures**

The Water Services Department is an enterprise activity whose financial records are audited annually and reported in conformity with generally accepted accounting principles for governmentally-owned water utilities. The Water Services Department operates the System on the accrual basis system of accounting, where revenues are recorded when earned and expenses are recorded when incurred.

An annual budget of estimated receipts and disbursements for the coming Fiscal Year is prepared by the Director of Water Services under the direction of the City Manager and is presented to the City Council in March for approval after a public hearing. The Fiscal Year of the System is May 1 through April 30. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rates required to raise each amount shown on the budget as coming from System revenues.

The financial records of the System are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. For Fiscal Years 2009-2013, the annual audit was performed by BKD, LLP, Kansas City, Missouri ("BKD"). Copies of the audit reports of the past five years are on file in the City Clerk's office and are available for review.

### **Financial Statements**

The City maintains its financial records on the basis of a Fiscal Year ending April 30. Such financial statements have been audited by BKD. The City did not ask BKD to perform any additional work or any post-audit procedures more recently than the April 30, 2013 audit with respect thereto.

The tables on the following pages provide the Water Fund's balance sheets and income statements for the Fiscal Years ended April 30, 2009 through 2013.

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**City of Kansas City Missouri Water Fund**  
**Statement of Net Position**  
**Audited for Fiscal Years ending April 30, 2009-2013**

<b>Assets</b>	<b>2009</b>		<b>2010</b>		<b>2011</b>		<b>2012</b>		<b>2013</b>	
Current assets:										
Cash and cash equivalents	\$	335,592	\$	581,914	\$	1,650,868	\$	3,173,573	\$	5,341,520
Investments		1,575,296		1,567,142		3,225,858		8,850,612		14,345,894
Accounts receivable, net		13,247,479		11,056,642		15,300,787		14,381,331		14,845,584
Accrued interest receivable		52,264		90,118		173,140		173,959		189,960
Current portion of notes receivable		316,964		477,148		504,919		550,240		556,188
Inventories		2,316,166		2,062,190		2,341,134		2,415,413		2,060,896
Prepaid expenses		484,671		-		-		-		-
Due from other funds		229,693		43,826		391,082		30,152		14,673
Total unrestricted current assets		18,558,125		15,878,980		23,587,788		29,575,280		37,354,715
Restricted assets:										
Cash and cash equivalents		2,505,295		8,940,205		8,017,760		5,703,876		6,990,834
Investments		26,635,088		6,276,304		4,619,490		15,478,885		28,797,196
Accrued interest receivable		342,096		693,611		330,100		252,221		242,884
Total restricted current assets		29,482,479		15,910,120		12,967,350		21,434,982		36,030,915
Total current assets		48,040,604		31,789,100		36,555,138		51,010,262		73,385,630
Investments		11,613,249		10,622,813		28,077,160		43,459,349		66,547,826
Restricted assets-investments		63,600,103		83,086,017		50,191,184		59,262,280		74,473,214
Special assessments receivable, net of allowance		48,078		34,336		13,886		11,015		-
Notes Receivable		6,716,220		9,971,012		9,357,450		8,827,759		8,163,057
Debt issuance costs, net		4,419,139		4,208,857		4,020,827		4,264,767		4,485,318
Capital Assets, depreciable, net		481,905,313		489,055,542		563,674,078		585,378,985		694,324,652
Capital Assets, nondepreciable		101,762,269		123,942,371		86,651,063		95,998,216		21,651,578
Total assets	\$	718,104,975	\$	752,710,048	\$	778,540,786	\$	848,212,633	\$	943,031,273
<b>Liabilities and Net Assets</b>										
Current liabilities:										
Accounts payable	\$	4,517,788	\$	5,778,591	\$	5,868,776	\$	5,279,562	\$	6,733,130
Current portion of compensated absences		718,408		677,366		688,391		607,774		765,220
Accrued payroll and related expenses		2,575,795		419,902		551,350		675,111		816,132
Contracts and retainage payable		303,905		170,753		275,274		465,394		128,492
Other liabilities		450,597		262,183		863,979		863,980		863,980
Current portion of due to other funds		579,670		493,702		787,148		388,286		385,331
Current portion of claims liability		1,326,763		1,390,512		1,667,197		1,518,013		1,576,740
Total current liabilities		10,472,926		9,193,009		10,702,115		9,798,120		11,269,025
Liabilities payable from restricted assets:										
Accrued interest and fiscal agent fees		1,938,198		4,164,511		3,939,588		4,079,950		4,561,591
Current portion of revenue bonds payable		11,290,104		16,539,098		17,384,537		18,100,341		18,236,293
Contracts and retainage payable		647,548		591,626		1,542,874		1,760,833		1,368,566
Customer deposits		1,003,047		865,605		1,364,165		1,211,247		1,494,532
Total liabilities payable from restricted assets		14,878,897		22,160,840		24,231,164		25,152,371		25,660,982
Total current liabilities		25,351,823		31,353,849		34,933,279		34,950,491		36,930,007
Claims liability		4,137,356		4,244,489		5,235,283		4,469,352		5,891,987
Compensated absences		2,329,019		2,018,514		1,944,252		2,213,803		2,458,139
Pension liability		961,323		2,251,581		3,363,131		4,310,573		4,502,908
Postretirement liability		2,570,350		3,810,081		4,178,628		4,525,571		4,740,414
Revenue bonds payable		235,068,644		242,979,471		225,911,050		260,557,305		301,061,121
Total liabilities		270,418,515		286,657,985		275,565,623		311,027,095		355,584,577
Net assets:										
Invested in capital assets, net of related debt		428,340,318		438,188,214		455,704,677		470,155,178		490,915,672
Restricted		4,887,540		12,703,629		11,382,337		10,008,982		13,199,410
Unrestricted		14,458,602		15,160,220		35,888,149		57,021,378		83,331,615
Total net position		447,686,460		466,052,063		502,975,163		537,185,538		587,446,697
Total liabilities and net position	\$	718,104,975	\$	752,710,048	\$	778,540,786	\$	848,212,633	\$	943,031,273

**City of Kansas City, Missouri Water Fund**  
**Statements of Revenues, Expenses, and Changes in Fund Net Position**  
**Audited for Fiscal Years Ending April 30, 2009 - 2013**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating revenues:					
Water sales	\$ 79,369,329	\$ 79,402,865	\$ 104,809,250	\$ 113,795,787	\$ 139,044,243
Other water revenue	2,401,532	3,051,231	3,043,482	4,425,641	4,128,038
Income from jobbing, contract work and miscellaneous revenues	4,360,006	5,729,988	7,355,893	7,026,768	6,470,794
Total operating revenues	86,130,867	88,184,084	115,208,625	125,248,196	149,643,076
Operating expenses:					
Power and pumping	5,065,124	4,540,886	4,955,130	4,844,668	5,391,806
General and electrical maintenance	2,282,020	2,517,212	2,541,658	4,034,162	4,347,317
Purification	11,078,707	11,549,618	11,892,058	11,020,685	12,245,660
Laboratory services	2,960,532	2,433,467	2,477,521	2,470,682	2,471,376
Transmission and distribution	13,925,182	13,303,041	11,488,867	21,122,053	23,062,262
Customer service	7,156,669	7,040,500	7,295,986	7,236,663	7,851,497
Mechanical maintenance	3,122,413	2,634,981	2,754,732	2,751,426	2,929,851
Customer accounting and collection	4,520,029	4,258,158	4,963,537	5,184,265	5,672,474
Administrative and general	13,423,079	14,477,547	16,123,070	14,585,368	14,727,241
Depreciation and amortization	10,270,730	10,260,837	10,708,385	13,793,442	14,459,219
Total operating expenses	73,804,485	73,016,247	75,200,944	87,043,414	93,158,703
Operating income	12,326,382	15,167,837	40,007,681	38,204,782	56,484,372
Nonoperating revenues (expenses):					
Interest on investments	1,564,504	2,555,115	1,625,220	1,457,756	977,115
Interest expense and fiscal agent fees	(6,375,875)	(7,208,735)	(9,103,896)	(9,774,619)	(9,772,564)
Gain on disposal of fixed assets	225,141	(7,600)	(214,237)	(192,146)	(44,998)
Total nonoperating revenues (expenses)	(4,586,230)	(4,661,220)	(7,692,913)	(8,509,009)	(8,840,447)
Net income before capital contributions	7,740,152	10,506,617	32,314,768	29,695,773	47,643,925
Capital contributions	3,522,492	7,858,986	4,608,332	4,514,602	2,617,234
Change in net position	11,262,644	18,365,603	36,923,100	34,210,375	50,261,159
Total net position - beginning of the year	436,423,816	447,686,460	466,052,063	502,975,163	537,185,538
Total net position - end of the year	\$ 447,686,460	\$ 466,052,063	\$ 502,975,163	\$ 537,185,538	\$ 587,446,697



**CITY OF KANSAS CITY, MISSOURI**  
**WATER FUND**  
**Historical Debt Service Coverage Calculation**  
**For Fiscal Years Ending April 30, 2009 through April 30, 2013**

	2009	2010	2011	2012	2013
Total Operating Revenues	86,130,867	88,184,084	115,208,625	125,248,196	149,643,076
Less: Total Operating Expenses	<u>73,804,485</u>	<u>73,016,247</u>	<u>75,200,944</u>	<u>87,043,414</u>	<u>93,158,703</u>
	12,326,382	15,167,837	40,007,681	38,204,782	56,484,373
Plus: Depreciation and Amortization	10,270,730	10,260,837	10,708,385	13,793,442	14,459,219
Administrative Fees		4,725,767	4,725,768	4,314,746	3,506,180
Principal of Contracts Received					
from Other Governmental Units	496,006	1,055,313	565,529	510,426	684,964
Non-Cash OPEB		1,239,731	368,547	346,943	214,843
Interest Income	<u>1,564,504</u>	<u>2,555,115</u>	<u>1,625,220</u>	<u>1,457,756</u>	<u>977,115</u>
	12,331,240	19,836,763	17,993,449	20,423,313	19,842,321
Net Revenues Available for Debt Service	<u>24,657,622</u>	<u>35,004,600</u>	<u>58,001,130</u>	<u>58,628,095</u>	<u>76,326,694</u>
Debt Service - Senior Bonds		15,594,515	20,460,088	20,673,288	22,092,571
Debt Service Coverage - Senior Bonds		2.24	2.83	2.84	3.45
Debt Service - Senior and Subordinate Bonds		18,325,515	23,284,828	23,495,011	24,913,714
Debt Service Coverage - Senior and Subordinate Bonds		1.91	2.49	2.50	3.06
Debt Service - All Water Obligations*	21,188,579	20,591,443	27,795,629	27,974,952	29,393,656
Debt Service Coverage - All Water Obligations*	1.16	1.70	2.09	2.10	2.60

\*Debt Service on all Water Obligations includes AMR obligations